

FILED 10 MAR 02 14:32 USDC-ORP

UNITED STATES DISTRICT COURT
DISTRICT OF OREGON
PORTLAND DIVISION

UNITED STATES OF AMERICA

CR 10- 69-Ki

v.

INDICTMENT

VICTOR KAGANOV,

Defendant.

18 U.S.C. § 1960
Operating an Unlicensed Money
Transmitting Business

THE GRAND JURY CHARGES:

INTRODUCTORY ALLEGATIONS

At all times relevant to this Indictment:

1. Between July 2002 and March 2009, VICTOR KAGANOV operated an unlicensed money transmitting business based out of his residence in Tigard, Oregon. During this time period, KAGANOV transmitted more than \$172 million in more than 4,200 wire transactions to approximately 50 countries on behalf of his clients.

2. Many of KAGANOV's clients resided in Russia during the operation of his money transmitting business. KAGANOV emigrated from Russia to the United States in 1998. After KAGANOV arrived in the United States, he began to transmit money on behalf of his business associates in Russia.

3. In order to facilitate the movement of funds, KAGANOV created or caused to be created various shell corporations formed under Oregon law. In or about July 1997, a corporation named "SV Financial" was formed in Oregon. The Authorized Representative was Inna Shimanovsky, Victor KAGANOV'S daughter. In or about July 2002, KAGANOV opened a

bank account under the name of "SV Financial" at Wells Fargo Bank.

4. In or about December 2003, KAGANOV formed a corporation named "Fishing Financial" in Oregon. In or about January 2004, KAGANOV opened a second account at Wells Fargo Bank. He opened this account in the name of "Fishing Financial."

5. In or about April 2000, KAGANOV formed an Oregon corporation named "I. K. Fishing." In or about November 2002, KAGANOV opened a bank account under that name with Bank of America. In or about February 2004, KAGANOV formed an Oregon corporation called "Interscrap." In or about February of the same year, he opened a second bank account at Bank of America. He opened this account under the name of "Interscrap."

6. In or about August 2006, KAGANOV formed an Oregon corporation named "Morago." In or about November of the same year, KAGANOV opened a bank account in that name with Key Bank. In April 2008, KAGANOV opened a bank account with Bank of the West, also in the name of "Morago."

7. KAGANOV maintained complete control over the four bank accounts referred to in paragraphs 3-6, all of which were located in Oregon.

8. KAGANOV used a relatively simple procedure to transmit money. One of his clients generally would wire transfer or cause to be wire transferred a substantial amount of money into one of the corporate bank accounts which KAGANOV controlled, as described above in paragraph 3. A few days after this wire transfer, KAGANOV's client provided him with instructions on where to further transmit these funds. These instructions typically contained the name of the recipient, the bank account number, and any additional routing instructions. KAGANOV's clients provided these instructions to him via facsimile or over the telephone.

After receiving the instructions, KAGANOV ordered the U.S. bank which contained the funds, as described above in paragraph 3, to transmit those funds as directed by his client. This procedure was repeated on thousands of occasions during the charged time period.

9. Pursuant to Chapter 717 of the Oregon Revised Statutes, a license is required for all money transmitters in the State of Oregon. At no time did KAGANOV seek or obtain an appropriate license from the State of Oregon to operate this money transmitting business. Moreover, at no time did KAGANOV seek or obtain federal registration with the Treasury Department pursuant to Section 5330 of Title 31, United States Code and the regulations promulgated thereunder.

Count 1

(Operating an Unlicensed Money Transmitting Business - 18 U.S.C. § 1960)

10. The grand jury repeats and re-alleges each of the Introductory Allegations in paragraphs 1 through 9.

11. Beginning on or about July 2002 through on or about March 2009, in the District of Oregon, and elsewhere, defendant VICTOR KAGANOV did knowingly conduct, control, manage, supervise, direct, and own all or part of an unlicensed money transmitting business, as that term is defined in Title 18, United States Code, Section 1960(b)(1), through the operation of several corporations, including SV Financial, Fishing Financial, Morago, Interscrap, and I.K. Fishing, in that these businesses: (i) affected interstate and foreign commerce; (ii) were operated without an appropriate money transmitting license in Oregon, where such operation was

///

///

punishable as a Class C Felony under Oregon Revised Statutes, 717.200, 717.205, and 717.905; and (iii) failed to comply with the money transmitting business registration requirements under Section 5330 of Title 31, United States Code, and regulations prescribed thereunder.

All in violation of Title 18, United States Code, Section 1960.

DATED this 2nd day of March 2010.

A TRUE BILL:

OFFICIATING FOREPERSON ✓

United States Attorney
DWIGHT C. HOLTON

By:

ALL M. GARTEN
ALLAN M. GARTEN, OSB #812360
Assistant United States Attorney
Senior Litigation Counsel

ROBERT J. LIVERMORE, Virginia SB #42957
Trial Attorney
U.S. Department of Justice
Organized Crime & Racketeering Section